

A STRATEGIC GREEN HRM SUPPORTING CORPORATE ENVIRONMENTAL CITIZENSHIP: A PROPOSED MODEL

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ABSTRACT

Green management creativities have become an important factor in forward-thinking businesses around the world. Researchers contended that employees must be inspired, empowered and environmentally aware of greening in order to carry out green management initiatives. Corporate green management necessitates a high level of technical and management skills in employees, since the company will progress innovation-focused environmental initiatives and programmes that have significant managerial implications. However, breaches still exist in the Human resource management literature on human resource aspects of environmental management - Green HRM.

This comprises an informative guide on the embryonic literature, its scope and coverage, a process model and research agenda. There is a rising need for strategic green HRM – the integration of environmental management into HRM. The main persistence of this study is to explore the constructs of green HRM. This paper recommends a development of a new model of strategic green HRM by reviewing the literature on HR aspects of environmental management, synthesizing the thinking arising from the review of these literatures, and proposes a research model.

From the viewpoints of strategic HRM and green management, this study contends that the new model should include among others the relationship of assessment-based HR Interventions which must include environmental management system, green intellectual capital and corporate environmental citizenship.

Keywords: Green Human Resource Management, Green Management, Intellectual Capital & Corporate Environmental Citizenship

Received: Oct 22, 2018; **Accepted:** Nov 12, 2018; **Published:** Dec 06, 2018; **Paper Id.:** IJHRMRDEC201817

INTRODUCTION

Growing global environmental concerns and the development of international environmental standard are creating the need for businesses to adopt formal environmental strategies and programmes (Daily and Huang, 2001). Conventionally, a majority of companies around the world have used the compliance approach in their environment or green management initiatives driven by laws and regulations. However, in the past several years, environmental forces such as customer boycotts, dynamic preferences, and new customer requirements have affected basic business strategies – from pollution control to pollution prevention (Brockhoff et al., 1999).

In the ecological literature, the concept of green management for sustainable development has various definitions; all of which generally, seek to explain the need for balance between industrial growth for wealth construction and preservation the natural environment so that the future generations may thrive (Daily and Huang, 2001). However, the issue of how an individual organization or an entire society achieves sustainability from the

green management movement is still debatable and unclear. Thus, research on how business may edifice their facilities to augment for sustainability through green management initiatives seems paramount.

Implementation of corporate green management initiatives requires a high level of technical and management skills among employees due to the facts that the company will develop an innovation-focused environmental initiatives and programmes that have a significant impact on the sustainable competitiveness of the firms (Callenbach et. al., 1993). In this respect, the implementation of rigorous recruitment and selection of employees, performance-based appraisal system, the introduction of training programmes aimed at increasing the employees' environmental awareness and courses addressed to the development of new technical and management competencies have a basic importance for fostering environmental innovations (Renwick et al., 2008).

Researchers in this area argued that the environmental management system (EMS) can only be effectively implemented if the companies have the right people with the right skills and competencies (Daily and Huang, 2001). Strategic HRM researchers contended that to achieve HR effectiveness, HR should be trained as a whole and must be aligned with the business strategic goals, the primary means by which firms can impact and shape the skills, attitudes, and behaviour of individuals to do their work and thus achieve organizational goals (Collins and Clark, 2003).

Earlier literatures have paid courtesies to the link of HR practices and organizational outcomes such as productivity, flexibility, and financial performance (e.g. Ichniowski et al. 1997; Mendelson and Pillai, 2012; Collins and Clark, 2003), but the understanding needs to be extended to encompass innovation performance (Laursen and Foss, 2003) and environmental management initiatives (Renwick et al., 2008).

Accordingly, strategic HR practices can be conducive to environmental management initiatives because the practices may allow firms to discover and utilize knowledge and expertise in the organization (Scarbrough, 2003). However, knowledge within the human capital and firms cannot easily be transferred between individuals inside the firm.

Although a firm has access to the knowledge, skills and expertise of employees, it may need to possess good capacities in managing knowledge and human capital tools must be in place to ensure effective utilization of the human capital in the development of organizational expertise for environmental management.

Knowledge management and intellectual capital development are suitable approaches to adding or creating value by more actively leveraging the knowhow and expertise resided in individual minds (Scarbrough, 2003). Thus, this study contends that assessment based HR interventions will contribute to the operational implementation of EMS and the development of Green Intellectual Capital (GIC) and in-turn contributes to the achievement of corporate environmental citizenship (CEC). The general objective of the paper is to propose, based on literature reviews, a strategic model of green human resource management that contributes to the implementation of EMS, green IC and Corporate Environmental Citizenship (CEC).

LITERATURE REVIEW

Strategic HRM (SHRM)

Strategic human resource management (SHRM) is an important topic for research (Paawe and Boselie, 2003, 2005) and some basic theoretical issues have been well accepted (Paawe and Boselie, 2005). SHRM has contributed to our understanding of the rapport among strategy, human capital, HRM and organizational performance (Paawe and Boselie, 2005). The emergence of SHRM is influenced by the global competition, and the corresponding search for sources of

sustainable competitive advantage (Dyer & Reeves, 1995). SHRM has achieved its eminence because it provides a means by which business firms can enhance the competitiveness and promote managerial efficiency (Paawe and Boselie, 2005).

SHRM enables the development of a human capital that meets the requirements of business competitive strategy, so that organizational goals and mission will be achieved (Guest, 1987). SHRM researchers have established a broader perspective that is oriented toward managing the HR as a whole. Instead of focusing on individual HR practices that are used independently or in isolation, SHRM researchers look more broadly at bundles of HR practices or HR systems that are implemented in combination (Paawe and Boselie, 2003; 2005).

Delery and Shaw (2001) argued there is a general agreement that “(1) human capital can be a source of competitive advantage, (2) that HRM practices are the most direct influence on the human capital of a firm, and (3) that the complex nature of a coherent HRM system of practices can enhance the inimitability of the system”(p 166).

Green Management Initiatives

In the past, sound economic performance of the firm was expected to guarantee corporate success by companies and its shareholders, but now it is no longer valid; economic and financial outcomes need to be accompanied by minimization of ecological footprints and increased attention to social and environmental aspects. Consequently, the new strategic issue, corporate environmentalism or green management arose in 1990s and became a popular slogan internationally in the 2000s (Lee, 2009).

Green management is defined as the process whereby companies manage the environment by developing environmental management strategies (Lee, 2009) in which companies need to balance between industrial growth and safeguarding the natural environment so that upcoming generation may thrive (Daily and Huang, 2001). This concept becomes a strategic dominant issue for businesses, especially multinational enterprises operating their business globally (Banerjee, 2001).

In summary, green management denotes to the management of corporate interaction with, and impact upon, the environment (Lee and Ball, 2003), and it has gone beyond regulatory compliance and needs to include conceptual tools such as pollution prevention, product stewardship and corporate social responsibility (Hart, 2005; Pullman et al., 2009; Siegel, 2009). Business firms play a key role in the issues of environmental management since they are part of our society and cannot be isolated from the environment, and in fact, they contributed most of the carbon footprints in the past (Liu, 2010).

Application of innovative technology could alleviate the environmental deterioration by developing, for example, the biotech products and by searching for alternative energy to reduce the use of finite natural resources. Thus, businesses should put more effort into the research on innovative technology to minimize the impacts of environmental destruction by creating products that are nontoxic and less pollution to the environment (Liu, 2010; Ozen and Kuskü, 2008).

Green HRM - HR Factors Affecting Green Management Initiatives

Many researchers, especially in the area of HRM, argued that the effectiveness and success in any management innovation and strategic tools are depending on the availability and ability of their human resources hired in the strategic manners (Boselie et al., 2001; Paauwe and Boselie, 2003).

HRM system is defined as “a set of discrete but interrelated activities, functions, and process that are directed at attracting, developing, and maintaining (or disposing of) a firm’s human resources” (Lado and Wilson, 1994). According to Boselie et al., 2001, “Organization generally organizes HR practices into systems that are consistent over their culture and business strategy.

Many researchers agreed that HRM is the most effective tools which contribute to the creation of human capital, and in turn, contributes to organizational performance and competitive advantage (Boselie et al., 2001; Paauwe and Boselie, 2003). Currently, many corporations are implementing a proactive, strategic tool known as an EMS to gain competitive advantage (Daily and Huang, 2001).

This system affords a structure that allows management of the firms the ability to better control the firm’s environmental impacts (Barnes, 1996; Florida and Davison, 2001). An EMS includes commitment and policy, planning, implementation, measurement and evaluation, review and improvement (Hersey, 1998).

Callenbach et al. (1993) contended that in order to carry out green management, employee must be inspired, empowered and environmentally cognizant of greening to be successful. On the other hand, to effectively implement green management initiatives and fostering environmental innovations, corporations require a high level of technical and management skills (Callenbach et. al., 1993; Renwick et al., 2008). Hence, this paper argues that to effectively implement green management initiatives through the implementation of EMS requires strategic implementation of HR systems that fit with the organization’s culture and long-term goals.

Green Intellectual Capital

Many studies in the past found that intellectual capital has a positive influence on the competitive advantage of firms (Chen, 2008). IC is the total stocks of all intangible assets, knowledge, and capabilities of a firm that could create values or competitive advantages, and achieves its excellent goals. However, no research has explored whether intellectual capital in environmental management has a positive effect on modest advantage of firms (Chen, 2008). Hence, this paper recommends filling this research gap, and supporting a novel construct of green intellectual capital - the positive relationship between intellectual capital in green innovation or environmental management and competitive advantages of firms.

This paper referred to the cataloging of intellectual capital adopted by Bontis (1999) and Chen (2008) which classified green intellectual capital into green human capital, green structural capital and green relational capital. This paper recommends to further exploring, whether the three types of green intellectual capital have positive effects on corporate environment citizenship as on the important factors of the competitive advantages of firms.

Corporate Environment Citizenship (CEC)

Corporate environmental behaviour has been researched as an attempt to explain the heterogeneity of organizational response to the environment-related institutional pressures (Sharma, 2000). Studies concerning this specific issue have generally recognized that companies are subject to strong institutional pressure in the form of normative societal expectations, coercive regulations, tight public policies, media and non-governmental organizations scrutiny (Ozen and Kusku, 2008).

Environmental strategies of organizations within developing countries vary from opportunistic compliance to voluntaries (Ozen and Kuskü, 2008). Hence, the concept of CEC has been defined as “all of the precautions and policies corporations need to implement in order to reduce the hazards that they give to the environment” (Kuskü, 2007, p. 75). This study will explore the construct of CEC based on the concept proposed by Ozen and Kuskü (2008) which consists of regulative, normative and cognitive as consequences of implementation of environmental management system and development of green intellectual capital assessment based HR interventions.

Based on the Literature Review, this Study Proposed the Following Research Model

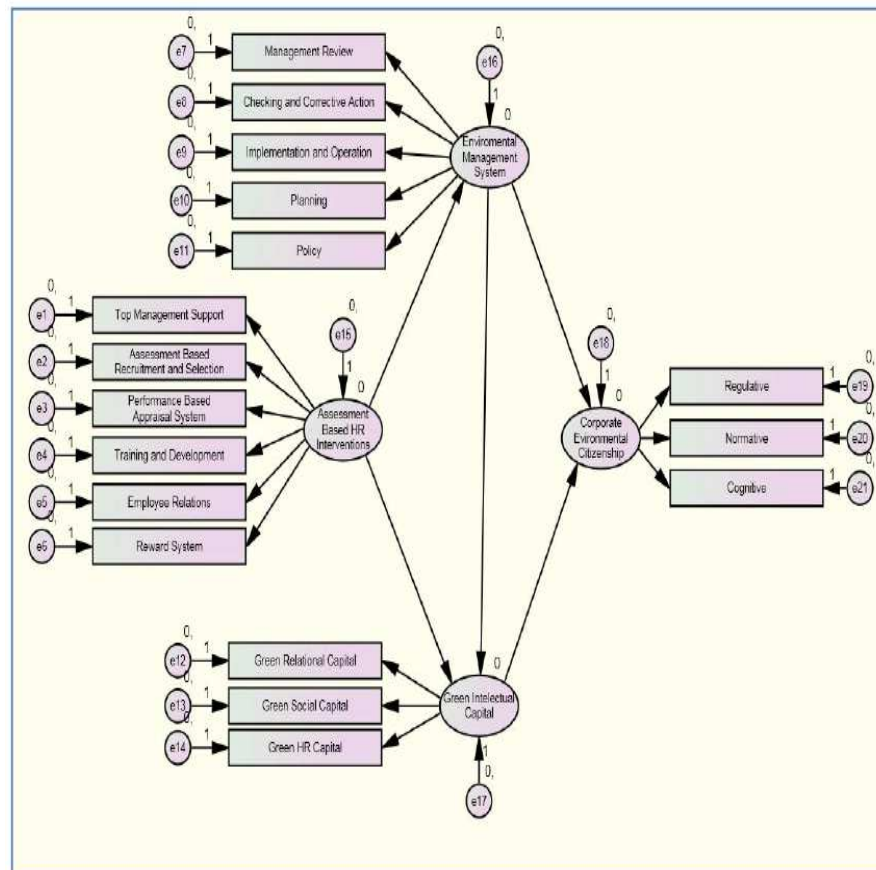


Figure 1

CONCLUSIONS

Nowadays companies are becoming more aware about their responsibilities towards environment and thus they are more involved in motivating and encouraging their employees to develop a sense of responsibility towards better utilization of resources and maintain environment sustainability. By doing so companies are not only reducing their dependence on scarce resources and easing the pressure on the planet but also improving their operational cost.

Green HR efforts have mainly engrossed on increasing competency within processes, reducing and eliminating environmental desecrate, and restoring HR products, tools, and procedures consequential in greater efficiency and lower costs. Environmentally friendly HR proposals resulting in greater efficiencies, lower costs and generate an atmosphere of better employee engagement, which in turn helps organizations to operate in an environmentally sustainable fashion. The rising concept of strategic green human resource management carries a great implication for both organizations and

employees with the help of this research paper, researcher has endeavored to focus on the receptiveness and execution of green HR practices in organizations.

Organizations today in organization are well versed about the green HR concept that has been put to help them to keep the environment green but still few organizations are not talented to put it in to practices in different functional areas of Human resource Management. This study has also supported the researcher to identify the areas like training and development, performance appraisal system and some regular activities where non-implementation of this concept of Green HRM takes place. Further research studies can be done on other sectors and industries to gain a wider insight and impact.

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